Manitoba
Housing
Landlord and
Tenant Affairs

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REPORT ON THE ADMINISTRATION OF THE RESIDENTIAL RENT REGULATION ACT FOR THE FISCAL YEAR ENDED MARCH 31, 1987

MG-12290

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RENT REGULATION BUREAU

LANDLORD AND TENANT AFFAIRS BRANCH
RENT REGULATION BUREAU

The Rent Regulation Bureau, together with the Office of the Rentalsman, form the Landlord and Tenant Affairs Branch. The amalgamation of the two offices took place in September, 1985.

The Rent Regulation Bureau is charged with the administration of the Residential Rent Regulation Act. The Act, together with the corresponding Regulations, specifies:

- the annual rent increase guideline for premises under its jurisdiction;
- the type and class of buildings excluded from the legislation;
- the rights and obligations of landlords and tenants under the legislation; and
- the various procedures to be followed in the administration of the Act.

The Rent Regulation Bureau's main areas of activities consist of:

- reviewing and processing landlord applications for rent increases above the guideline;
- reviewing and processing tenants' objections to any rent increases whether below, at, or above guideline;
- recommending allowable rent increases based on landlords' applications and tenants' objections;
- investigating non-compliance with the legislation; and
- taking action for non-compliance, where applicable.

A perhaps less formalized but equally important function of the Bureau is the ongoing monitoring and evaluation of applicable economic indicators and developments which may have the potential to affect conditions in the rental housing market. Contacts with the relevant agencies of other levels of government and the housing industry provide the Bureau with the opportunity and ability to examine in advance, proposed new and changing programs, legislation or policy directions eminating from these agencies. While activities of this nature are not always easily quantified, they are, nevertheless, an important aspect of the Bureau's ongoing attempt to maintain as equitable a rent regulation program as possible.

ACTIVITIES EXTENDING ACROSS FISCAL YEARS

For the purpose of reporting to the Legislature under the Residential Rent Regulation Act, the rental year coincides with the calendar year.

The annually determined guideline amount, which establishes the threshold above which rent increases must be reviewed and approved by the Rent Regulation Bureau, is set on a calendar year basis. Consequently, the effective date of the rent increase determines the year under which the increase will be recorded and reported by the Bureau.

The Residential Rent Regulation Act requires that a report on the administration of the Act be prepared on a fiscal year basis. As a result, activities of the Bureau during any given fiscal year include rent increases, and other related issues, pertaining to three different calendar years. For instance, the 1985/86 fiscal year includes unresolved 1984 issues, most of the 1985 cases, and a substantial number of applications for 1986 rent increases. The statistical tables in this report identify the year in the heading whenever the particular data pertain to a specific calendar year only. As such, Tables 1 and 2 are simply statistical summaries for activities relating to rent

increases that came into effect during the 1986 and 1987 calendar years respectively. Consequently, the figures within these tables identifying the two fiscal years are not comparable. The same applies to the corresponding tables in the Rent Appeals section of the report.

TABLE 1

CALENDAR YEAR 1986

STATISTICAL SUMMARY FOR MANITOBA

APPLICATIONS BY LANDLORDS FOR RENT INCREASES ABOVE GUIDELINE	1985/86 FISCAL YEAR	1986/87 FISCAL YEAR
Carried forward from previous year	-	6,571
Received - Winnipeg	8,415	3,125
- Brandon	206	309
- Rural	313	65
TOTAL	8,934	10,070
Applications withdrawn	93	840
Determined	2,270	8,839
ACTIVE	6,571	391
OBJECTIONS BY TENANTS TO INCREASES LESS THAN OR EQUAL TO THE GUIDELINE		
Carried forward from previous year	-	39
Received - Winnipeg	31	85
- Brandon	5	4
- Rural	21	35
TOTAL	57	163
Objections withdrawn	12	55
Determined	6	86
ACTIVE	39	22
COMPLIANCE		
Received - Winnipeg	161	335
- Brandon	4	4
- Rural	100	9
TOTAL	265	348
Resolved	252	343
BALANCE	13	5
Referred to Rent Appeal Panel	13	5
ACTIVE	-	-

TABLE 2

CALENDAR YEAR 1987

STATISTICAL SUMMARY FOR MANITOBA

APPLICATIONS BY LANDLORDS FOR RENT INCREASES ABOVE GUIDELINE	1985/86 FISCAL YEAR	1986/87 FISCAL YEAR
Carried forward from previous year	-	-
Received - Winnipeg	-	6,352
- Brandon	-	390
- Rural	-	136
TOTAL	-	6,878
Applications withdrawn	-	15
Determined	-	2,411
ACTIVE	-	4,452

OBJECTIONS BY TENANTS TO INCREASES LESS THAN OR EQUAL TO THE GUIDELINE		
Carried forward from previous year	-	-
Received - Winnipeg	-	38
- Brandon	-	2
- Rural	-	1
TOTAL	-	41
Objections withdrawn	-	10
Determined	-	4
ACTIVE	-	27

COMPLIANCE		
Received - Winnipeg	-	338
- Brandon	-	-
- Rural	-	2
TOTAL	-	340
Resolved	-	104
BALANCE	-	236
Referred to Rent Appeal Panel	-	236
ACTIVE	-	-

ACTIVITY SUMMARY

All statistics throughout this report are expressed in terms of the number of rental units affected (i.e. if all 24 units in an apartment building are under review, our statistics will reflect this with a count of 24).

Table 3 measures the volume of activities of the Rent Regulation Bureau on a comparative basis for the fiscal years 1985/86 and 1986/87. The processing of landlord applications for rent increases above the guideline increased by almost 3,000 units in the 1986/87 fiscal year. In the same period tenant objections to guideline or less increases were processed at a rate of nearly 25 percent (154 to 192) above the 1985/86 volume.

Investigations under the heading "Compliance Cases" continued to experience a downward trend although to a much lesser degree than in previous years.

Appeals of recommendations issued by one Rent Regulation Bureau as well as the receipt of applications for temporary exemption from rent regulations due to major rehabilitation work rests with the Rent Appeals Branch of Manitoba Housing. The ratio of appeals to recommendations issued continues to remain fairly constant at approximately one to four.

The rehabilitation provisions of the Residential Rent Regulation Act provide for a two stage process. First, a landlord submits an application for rehabilitation and for approval to proceed with the project. Once the project is completed, the landlord applies for the previously determined exemption period to be ratified.

During the 1986/87 fiscal year, Appeal Panels heard presentations seeking approval to commence major rehabilitation projects on a total of 421 rental units. In addition, applications for temporary exemptions from Rent Regulation were considered on 200 rental units where previously applied-for rehabilitation projects had been completed.

TABLE 3

ACTIVITY SUMMARY

ACTIVITIES	PROCESSED DURING FISCAL YEAR 1985/86	1986/87
Landlord Applications For Rent Increases	9,404	12,387
Tenant Objections To Guideline or Less Increases	154	192
Compliance Cases	694	686
Appealed Recommendations	2,059	3,062
Applications For Rehabilitation	426	421
Applications For Exemption	114	200

TABLE 4

INCOMING FORMS

TYPE OF FORMS	RECEIVED IN FISCAL YEAR 1985/86	1986/87
Notices Of Increase In Rent	55,929	55,676
Notices To New Tenants	15,593	17,875
Tenant Objections To Guideline Or Less Increases	188	165
Tenant Objections To Above Guideline Increases	3,046	2,483
Applications For Rent Increases Above Guideline	12,759	10,377
Notices Of Appeal	1,893	4,115
Applications For Rehabilitation	467	380
Applications For Exemption	114	200

The Manitoba Residential Rental Housing Market

The entire stock of rental housing in Manitoba consists of approximately 125,000 dwellings. About 100,000 rental units fall under the jurisdiction of the Residential Rent Regulation Act (controlled units); the remaining 25,000 units are exempt for various reasons as permitted by the Act and its Regulations. (ie. less than five years old, approved rehabilitation projects, etc.)

Tables 5 and 6 list the average rent levels for 1986 and 1987 on controlled and exempt units for some major Manitoba communities. The controlled sector consists of units where above guideline increases were allowed by the Bureau and units where landlords had restricted the increase to the guideline amount. The adjacent percentage figures express the average rent increase taken, in either 1986 or 1987, to reach these rent levels.

Again, values in these two tables cannot be compared across the two rental years since the properties reporting are not necessarily the same properties for both years. As a case in point, Brandon shows the average rent level for controlled units in 1986 as $367 while in Table 6, 1987 average rents are given as $360 which is shown as a 4.3% increase - a seemingly contradictory result. However, the 1987 values are valid by themselves since only a limited number of properties had reported by the time this report was prepared. A significant number of Brandon rental units will take rent increases in the latter part of 1987 and, consequently, the final figures for 1987 average rent levels and increases will be reflected in next year's annual report.

The annually determined guideline amount for rent increases remained at 3% in 1987 - the same level that was set for 1986. It is not unexpected then that average percentage increases in 1987, for both the controlled and exempt sector, appear to be in a similar range and follow the pattern that was set in 1986.

Final 1986 data shows that the average rent levels for Manitobans who occupied rental housing in the controlled sector rose by 3.3%; the increase in the exempt sector was 4.7%. Early 1987 data indicates average increases of 3.5% in the controlled sector and 4.3% for exempt units.

TABLE 5

MANITOBA RENTAL MARKET

1986 AVERAGE RENT LEVELS AND INCREASES ON REPORTING UNITS, WINNIPEG AND RURAL MANITOBA

	CONTROLLED UNITS		EXEMPT UNITS	
LOCATION	AVERAGE RENT LEVEL	AVERAGE % INCREASE	AVERAGE RENT LEVEL	AVERAGE % INCREASE
Winnipeg	400	3.3	447	4.3
Brandon	367	3.3	422	3.8
Dauphin	281	1.5	315	9.4
Portage La Prairie	419	1.9	479	11.1
Selkirk	374	3.1	464	7.7
The Pas	298	1.3	441	2.0
Thompson	303	2.9	414	11.9
Northern Region	316	3.8	344	24.6
Southern Region	255	5.1	478	6.5
Rural	303	3.2	429	10.8
MANITOBA	**391**	**3.3**	**444**	**4.7**

NOTE:

1. The average rent levels in this table are averages of the final rents after the 1986 rent increases were taken.

2. Rural figures exclude Winnipeg and Brandon.

3. Data for the Northern and Southern Regions are exclusive of the above listed communities; the boundary between the two regions runs just north of Pine Falls.

Manitoba Rental Market
1986 Average Rent Levels
Controlled Units

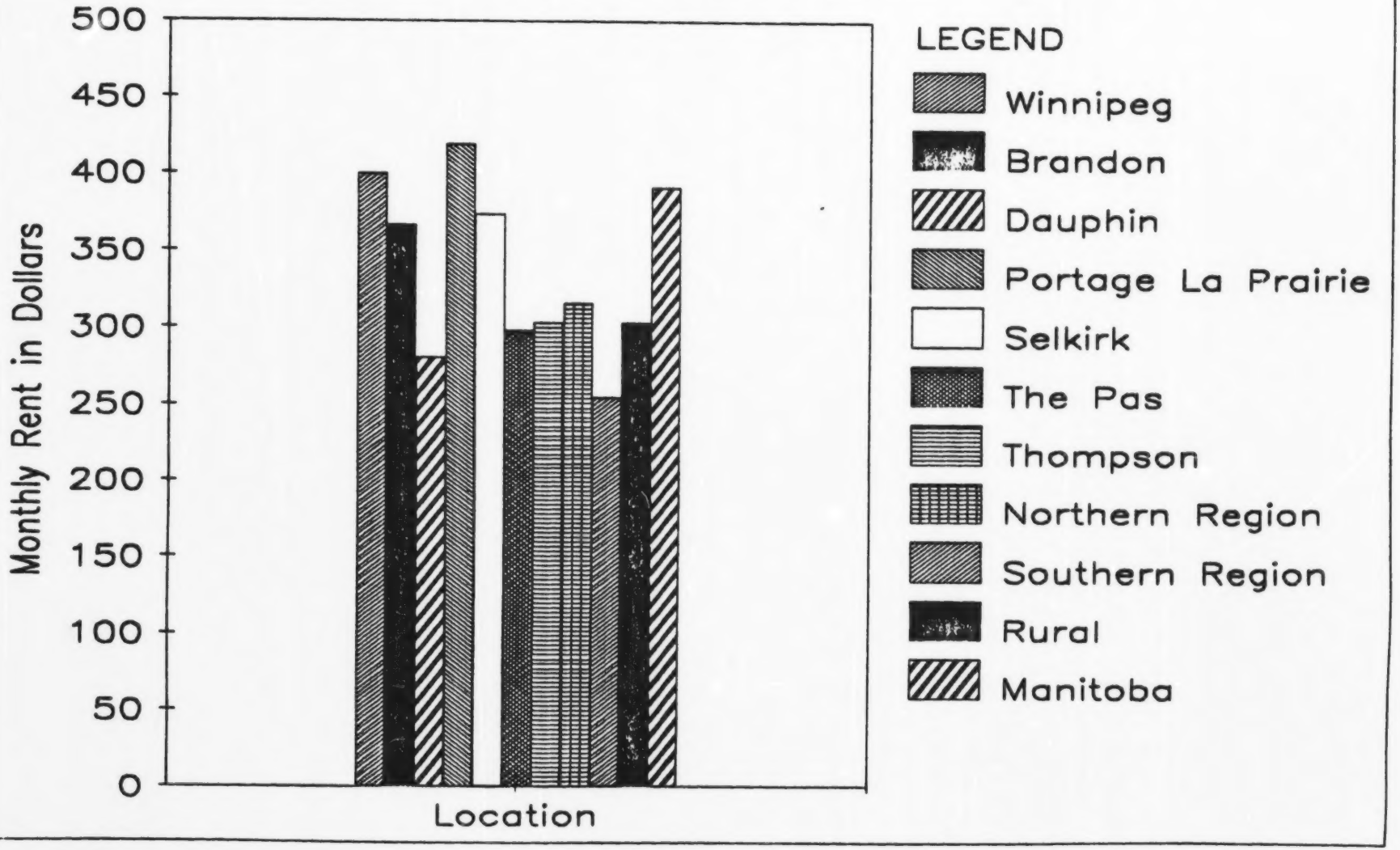


TABLE 6

MANITOBA RENTAL MARKET

1987 AVERAGE RENT LEVELS AND INCREASES ON REPORTING UNITS, WINNIPEG AND RURAL MANITOBA

	CONTROLLED UNITS		EXEMPT UNITS	
LOCATION	AVERAGE RENT LEVEL	AVERAGE % INCREASE	AVERAGE RENT LEVEL	AVERAGE % INCREASE
Winnipeg	419	3.5	466	4.2
Brandon	360	4.3	383	3.0
Dauphin	279	2.0	429	5.0
Portage La Prairie	379	3.3	478	10.5
Selkirk	383	2.9	483	5.8
The Pas	299	3.5	-	-
Thompson	347	2.4	-	-
Northern Region	164	3.1	100	8.4
Southern Region	229	3.4	485	6.4
Rural	289	2.8	465	7.2
MANITOBA	**401**	**3.5**	**461**	**4.3**

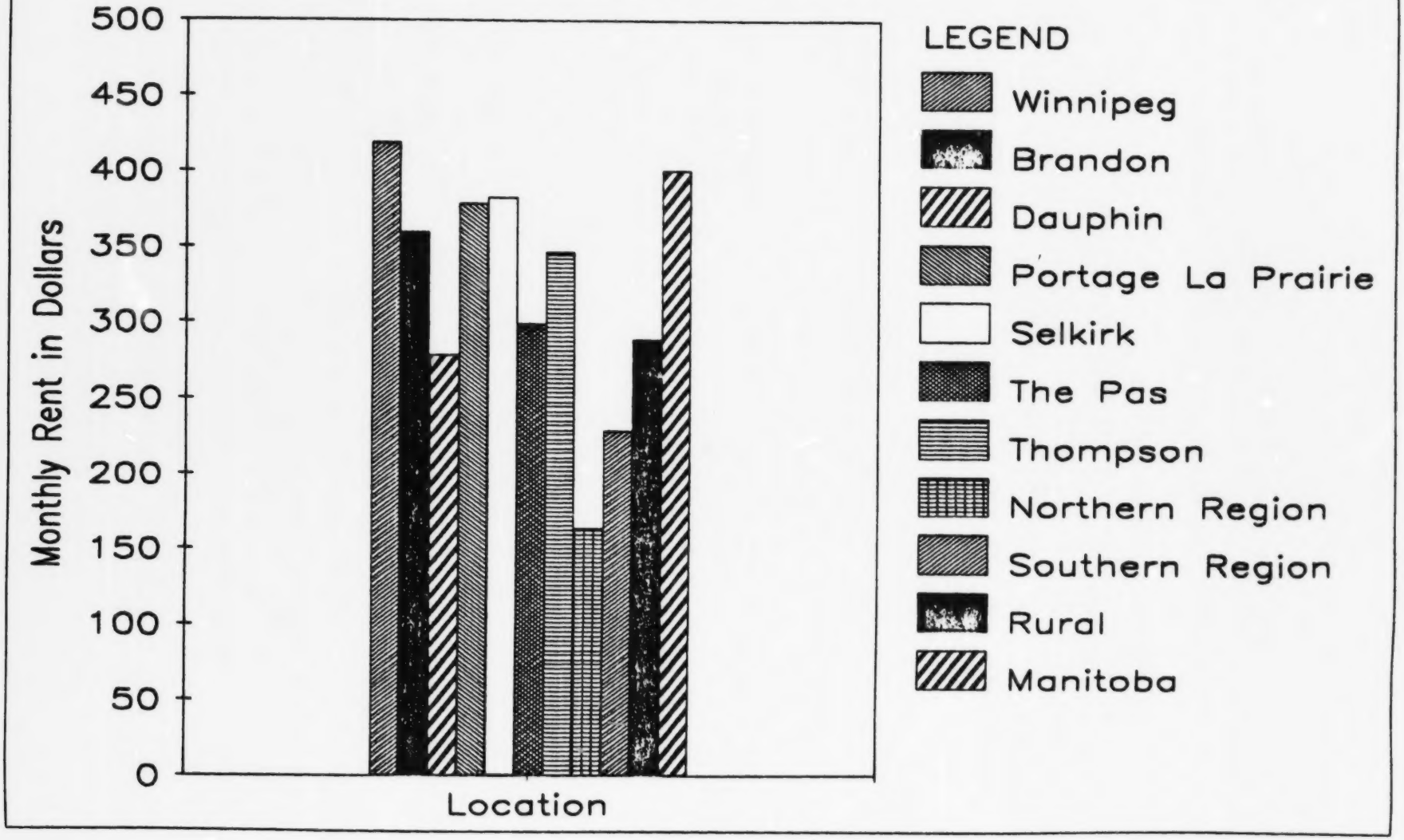
NOTE:

1. The average rent levels in this table are averages of the final rents after the 1987 rent increases were taken.

2. Rural figures exclude Winnipeg and Brandon.

3. Data for the Northern and Southern Regions are exclusive of the above listed communities; the boundary between the two regions runs just north of Pine Falls.

Manitoba Rental Market
1987 Average Rent Levels
Controlled Units



RENT LEVELS AND INCREASES

WINNIPEG

Tables 7 and 8 detail average rent levels and increases in Winnipeg for 1986 and 1987 respectively. The age of a building appears to have a definite impact on average rents. Older buildings, generally, show lower rent levels for all suite types. This trend is maintained for the 1986 as well as the 1987 rental year. This development is not surprising since initial rents in a new building are set based on the cost of construction and, consequently, this factor is then reflected in higher rent levels for buildings of more recent construction.

On the other hand, average percentage increases follow the opposite path, i.e. older buildings, generally, show higher average percentage increases. The actual dollar increases, however, are not quite as divergent.

This pattern is partly a reflection of the Rent Regulation Process which allows increases based on actual operating cost increases for the rental property. Operating costs for rental properties remain relatively constant for a considerable length of time in the lifetime of a building. A large portion of these costs along with their periodic increases are beyond the control of building management and are based on economic factors not directly related to a specific building. Increases in these costs affect all rental properties to the same degree with the resulting allowable dollar rent increases being of similar magnitude regardless of rent levels. As a corollary to this, it can then be assumed that landlords'

applications for rent increases above the guideline amount are primarily based on increases in operating expenses rather than low rent levels. Data in Table 7 which deal with the more complete 1986 statistics seem to support this observation. Average rent levels for those that applied for above guideline increases and those that took guideline amount increases were equal prior to the 1986 increase.

TABLE 7
WINNIPEG

1986 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE AND YEAR OF CONSTRUCTION

SUITE TYPE	YEAR OF CONSTRUCTION	APPLICATIONS ABOVE GUIDELINE AVERAGE RENTS	APPLICATIONS ABOVE GUIDELINE AVERAGE % INCREASES	INCREASES AT OR BELOW ANNUAL GUIDELINE OF 3% AVERAGE RENTS
Bachelor	0-1945	235	5.7	232
	1946-1959	270	5.7	258
	1960-1977	336	4.0	317
	1978+	317	5.0	288
	TOTAL	**296**	**4.7**	**278**
1 Bedroom	0-1945	292	8.8	276
	1946-1959	331	7.0	307
	1960-1977	403	4.5	378
	1978+	463	0.9	448
	TOTAL	**386**	**4.9**	**364**
2 Bedroom	0-1945	355	8.7	353
	1946-1959	417	8.3	368
	1960-1977	469	4.5	450
	1978+	532	3.9	551
	TOTAL	**463**	**4.8**	**454**
3 Bedroom	0-1945	498	13.2	452
	1946-1959	618	45.9	423
	1960-1977	541	4.6	510
	1978+	576	4.4	591
	TOTAL	**548**	**5.2**	**528**
4 Bedroom	0-1945	513	8.5	444
	1946-1959	x	x	-
	1960-1977	567	5.1	583
	1978+	-	-	683
	TOTAL	**553**	**5.4**	**515**
Other	0-1945	291	9.9	320
	1946-1959	344	8.5	324
	1960-1977	300	5.6	419
	1978+	481	3.1	529
	TOTAL	**314**	**6.2**	**396**
TOTAL	**ALL YEARS**	**407**	**5.0**	**397**

X - Available statistics are too limited to be included.

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1986 rent increases were taken.

TABLE 8
WINNIPEG
1987 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE AND YEAR OF CONSTRUCTION

SUITE TYPE	YEAR OF CONSTRUCTION	APPLICATIONS ABOVE GUIDELINE: AVERAGE RENTS	APPLICATIONS ABOVE GUIDELINE: AVERAGE % INCREASES	INCREASES AT OR BELOW ANNUAL GUIDELINE OF 3%: AVERAGE RENTS
Bachelor	0-1945	216	7.0	225
	1946-1959	x	x	241
	1960-1977	341	7.8	349
	1978+	-	-	343
	TOTAL	**325**	**7.7**	**299**
1 Bedroom	0-1945	276	7.4	281
	1946-1959	322	6.5	305
	1960-1977	416	6.7	398
	1978+	430	9.3	473
	TOTAL	**395**	**5.2**	**391**
2 Bedroom	0-1945	386	7.9	387
	1946-1959	372	6.9	368
	1960-1977	537	8.4	470
	1978+	571	4.4	565
	TOTAL	**527**	**7.9**	**483**
3 Bedroom	0-1945	-	-	475
	1946-1959	x	x	442
	1960-1977	478	6.1	530
	1978+	625	4.8	615
	TOTAL	**492**	**5.9**	**558**
4 Bedroom	0-1945	-	-	409
	1946-1959	-	-	x
	1960-1977	425	3.9	542
	1978+	-	-	-
	TOTAL	**425**	**3.9**	**500**
Other	0-1945	343	9.3	317
	1946-1959	381	6.8	319
	1960-1977	230	6.6	416
	1978+	481	0.6	550
	TOTAL	**289**	**4.6**	**403**
TOTAL	**ALL YEARS**	**398**	**6.0**	**424**

X - Available statistics are too limited to be included.

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1987 rent increases were taken.

WINNIPEG DISTRICTS

Average 1986 rents within the controlled sector and the various districts that make up the City of Winnipeg range from a low of $314 in North Winnipeg to a high of $490 in Charleswood/Tuxedo. In conjunction with our previous observation that the highest rent levels are found in buildings of most recent construction, Table 9 reflects and identifies the areas of the City where the most recent rental property development activities took place. If we exclude Charleswood/Tuxedo and River Heights, where the heavy concentration of luxury units raises the average rent level regardless of age of building, we find that the Maples, Westwood, Fort Garry, Fort Rouge and St. Vital show the kind of average rents that suggest a high level of recent rental property additions.

Conversely, North Winnipeg, Weston, West Winnipeg and Winnipeg Centre are the areas with the oldest rental housing stock and only modest recent development activities.

A similar distribution of average rents can be observed for exempt units albeit at a higher level.

Average rents for 1987 appear to exhibit the same pattern, although the values are still based on very limited data and are subject to considerable corrections over the course of the year.

TABLE 9

WINNIPEG RENTAL MARKET

1986 AVERAGE RENT LEVELS AND INCREASES ON REPORTING UNITS

	CONTROLLED UNITS		EXEMPT UNITS	
LOCATION	AVERAGE RENT LEVEL	AVERAGE % INCREASE	AVERAGE RENT LEVEL	AVERAGE % INCREASE
Charleswood/Tuxedo	490	3.1	779	5.0
Crestwood - Assiniboia/ St. James/Westwood	432	3.4	527	4.4
East Kildonan/Elmwood	373	3.5	419	2.5
Fort Rouge	412	3.4	425	5.3
Fort Garry/St. Norbert	431	3.2	460	4.1
Maples/Tyndall Park/ West Kildonan	442	3.6	277	6.5
North Kildonan	398	3.4	508	3.3
North Winnipeg	314	4.0	317	3.7
River Heights	464	3.0	579	5.5
St. Vital	406	2.9	441	4.2
St. Boniface/Windsor Park/Southdale	394	3.3	369	5.2
Transcona	364	1.6	455	3.4
West Winnipeg	335	3.7	337	1.9
Winnipeg Centre	345	3.3	412	3.3
Weston	315	3.4	348	6.9
TOTAL WINNIPEG	**400**	**3.3**	**447**	**4.3**

NOTE: 1. The average rent levels in this table are averages of the final rents after the 1986 rent increases were taken.

TABLE 10

WINNIPEG RENTAL MARKET

1987 AVERAGE RENT LEVELS AND INCREASES ON REPORTING UNITS

LOCATION	CONTROLLED UNITS		EXEMPT UNITS	
	AVERAGE RENT LEVEL	AVERAGE % INCREASE	AVERAGE RENT LEVEL	AVERAGE % INCREASE
Charleswood/Tuxedo	514	2.7	828	1.4
Crestwood - Assiniboia/ St. James/Westwood	447	3.1	526	3.7
East Kildonan/Elmwood	375	3.1	449	8.8
Fort Rouge	436	4.3	441	3.1
Fort Garry/St. Norbert	456	4.5	565	3.5
Maples/Tyndall Park/ West Kildonan	454	3.6	322	3.2
North Kildonan	400	3.0	557	3.3
North Winnipeg	314	4.1	323	16.9
River Heights	506	3.5	590	5.2
St. Vital	392	5.1	474	3.0
St. Boniface/Windsor Park/Southdale	464	3.8	371	6.7
Transcona	469	2.9	470	5.1
West Winnipeg	397	2.9	383	2.5
Winnipeg Centre	382	2.1	374	5.6
Weston	324	4.7	-	-
TOTAL WINNIPEG	**419**	**3.5**	**466**	**4.2**

NOTE: 1. The average rent levels in this table are averages of the final rents after the 1987 rent increases were taken.

BRANDON

The Brandon average percentage increase of 5% allowed by the Bureau on applications for rent increases above the guideline for the calendar year 1986 is identical to the Winnipeg figure. Average rent levels are about $30 lower than in Winnipeg; however, this difference is solely due to the impact of "Mobile Home Park" units which form a significant portion of the Brandon rental market. These units are included in the "other" category and rent represents charges for the mobile home pad only. Exclusion of this category brings average rents much closer to the Winnipeg level. Rent levels versus age of building show a relationship similar to the one observed for the Winnipeg rental market. Based on the above, there is little difference between Winnipeg and Brandon in the cost of renting accommodation or the cost to the landlord in operating a rental property (See Tables 7 and 11).

TABLE 11
BRANDON

1986 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE AND YEAR OF CONSTRUCTION

SUITE TYPE	YEAR OF CONSTRUCTION	APPLICATIONS ABOVE GUIDELINE AVERAGE RENTS	APPLICATIONS ABOVE GUIDELINE AVERAGE % INCREASES	INCREASES AT OR BELOW ANNUAL GUIDELINE OF 3% AVERAGE RENTS
Bachelor	0-1945	-	-	355
	1946-1959	-	-	-
	1960-1977	x	x	321
	1978+	-	-	340
	TOTAL	**x**	**x**	**334**
1 Bedroom	0-1945	296	12.8	317
	1946-1959	-	-	265
	1960-1977	374	8.2	357
	1978+	444	3.8	429
	TOTAL	**399**	**6.3**	**359**
2 Bedroom	0-1945	385	6.9	363
	1946-1959	-	-	282
	1960-1977	447	5.7	414
	1978+	507	3.9	467
	TOTAL	**451**	**5.4**	**417**
3 Bedroom	0-1945	-	-	305
	1946-1959	-	-	-
	1960-1977	504	5.3	467
	1978+	-	-	507
	TOTAL	**504**	**5.3**	**500**
4 Bedroom	0-1945	-	-	279
	1946-1959	-	-	-
	1960-1977	-	-	x
	1978+	-	-	-
	TOTAL	**-**	**-**	**314**
Other	0-1945	179	1.8	278
	1946-1959	-	-	296
	1960-1977	-	-	358
	1978+	-	-	176
	TOTAL	**179**	**1.8**	**228**
TOTAL	**ALL YEARS**	**378**	**5.0**	**365**

X - Available statistics are too limited to be included.

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1986 rent increases were taken.

TABLE 12
BRANDON

1987 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE AND YEAR OF CONSTRUCTION

SUITE TYPE	YEAR OF CONSTRUCTION	APPLICATIONS ABOVE GUIDELINE AVERAGE RENTS	APPLICATIONS ABOVE GUIDELINE AVERAGE % INCREASES	INCREASES AT OR BELOW ANNUAL GUIDELINE OF 3% AVERAGE RENTS
Bachelor	0-1945	-	-	x
	1946-1959	-	-	-
	1960-1977	-	-	327
	1978+	-	-	351
	TOTAL	-	-	**338**
1 Bedroom	0-1945	328	4.1	328
	1946-1959	-	-	273
	1960-1977	338	4.5	390
	1978+	x	x	420
	TOTAL	**334**	**4.3**	**384**
2 Bedroom	0-1945	380	4.6	391
	1946-1959	-	-	291
	1960-1977	422	6.2	433
	1978+	438	5.1	463
	TOTAL	**420**	**5.3**	**429**
3 Bedroom	0-1945	-	-	358
	1946-1959	x	x	-
	1960-1977	-	-	x
	1978+	-	-	497
	TOTAL	**x**	**x**	**472**
4 Bedroom	0-1945	-	-	-
	1946-1959	-	-	-
	1960-1977	-	-	-
	1978+	-	-	-
	TOTAL	-	-	-
Other	0-1945	127	3.0	225
	1946-1959	-	-	291
	1960-1977	-	-	x
	1978+	-	-	380
	TOTAL	**127**	**3.0**	**238**
TOTAL	**ALL YEARS**	**233**	**4.3**	**389**

X - Available statistics are too limited to be included.

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1987 rent increases were taken.

RURAL AREAS

The residential rental market in the rural area of the province has a much less homogeneous structure than the one found in the two major urban centres of Winnipeg and Brandon. The total rural rental market ranges from the well established and professionally managed, in communities such as Thompson, Dauphin, Portage La Prairie, The Pas and Selkirk, to a mix of single family houses and converted structures that form part of the rental market in small settlements or remote communities. A considerable segment of rural rental housing is occupied by friends, relatives, or employees of the landlord. In these instances, rent increases rarely occur on an annual basis. It is quite common for no increases to have been taken for a number of years regardless of any increases in operating costs. Quite often it is only a tenancy turnover that causes a landlord to reassess his financial position and seek an increase above the guideline amount. The small structure (less than 3 rental units) of the rental property frequently allows the landlord to apply under section 16(2) of the Act. This avenue raises the overall average percentage increases allowed above those registered for Winnipeg or Brandon (See Tables 13 and 14).

TABLE 13
RURAL

1986 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE AND YEAR OF CONSTRUCTION

SUITE TYPE	YEAR OF CONSTRUCTION	APPLICATIONS ABOVE GUIDELINE AVERAGE RENTS	APPLICATIONS ABOVE GUIDELINE AVERAGE % INCREASES	INCREASES AT OR BELOW ANNUAL GUIDELINE OF 3% AVERAGE RENTS
Bachelor	0-1945	-	-	295
	1946-1959	-	-	199
	1960-1977	-	-	274
	1978+	-	-	-
	TOTAL	-	-	**279**
1 Bedroom	0-1945	212	23.9	349
	1946-1959	-	-	269
	1960-1977	256	4.5	333
	1978+	341	0.9	397
	TOTAL	**314**	**2.5**	**343**
2 Bedroom	0-1945	184	18.8	378
	1946-1959	88	11.4	260
	1960-1977	315	4.4	383
	1978+	382	3.8	442
	TOTAL	**337**	**4.7**	**392**
3 Bedroom	0-1945	136	11.2	335
	1946-1959	115	11.5	222
	1960-1977	128	12.1	334
	1978+	231	5.4	442
	TOTAL	**144**	**10.1**	**363**
4 Bedroom	0-1945	96	3.2	335
	1946-1959	111	10.1	-
	1960-1977	122	11.7	374
	1978+	129	11.2	448
	TOTAL	**117**	**10.2**	**392**
Other	0-1945	159	13.2	169
	1946-1959	-	-	200
	1960-1977	158	13.4	260
	1978+	355	4.2	389
	TOTAL	**186**	**10.8**	**206**
TOTAL	**ALL YEARS**	**217**	**7.1**	**313**

X - Available statistics are too limited to be included.

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1986 rent increases were taken.

TABLE 14

RURAL

1987 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE AND YEAR OF CONSTRUCTION

SUITE TYPE	YEAR OF CONSTRUCTION	APPLICATIONS ABOVE GUIDELINE AVERAGE RENTS	APPLICATIONS ABOVE GUIDELINE AVERAGE % INCREASES	INCREASES AT OR BELOW ANNUAL GUIDELINE OF 3% AVERAGE RENTS
Bachelor	0-1945	-	-	208
	1946-1959	-	-	208
	1960-1977	-	-	273
	1978+	-	-	-
	TOTAL	-	-	**253**
1 Bedroom	0-1945	-	-	284
	1946-1959	-	-	278
	1960-1977	x	x	328
	1978+	-	-	365
	TOTAL	x	x	**321**
2 Bedroom	0-1945	-	-	308
	1946-1959	-	-	231
	1960-1977	384	8.8	369
	1978+	-	-	470
	TOTAL	**384**	**8.8**	**357**
3 Bedroom	0-1945	-	-	187
	1946-1959	-	-	151
	1960-1977	-	-	213
	1978+	-	-	282
	TOTAL	-	-	**210**
4 Bedroom	0-1945	-	-	154
	1946-1959	-	-	116
	1960-1977	-	-	127
	1978+	-	-	348
	TOTAL	-	-	**187**
Other	0-1945	326	4.4	182
	1946-1959	-	-	x
	1960-1977	-	-	255
	1978+	-	-	360
	TOTAL	**326**	**4.4**	**199**
TOTAL	**ALL YEARS**	**338**	**5.4**	**288**

X - Available statistics are too limited to be included.

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1987 rent increases were taken.

SYNOPSIS

The overwhelming impact that is exerted by the Winnipeg rental housing market activities on overall provincial statistics is evidenced by comparing Tables 7 and 15. Average rents for the entire province are quite similar to average rents for the City of Winnipeg. This is particularly the case for the most prevalent 1 and 2 bedroom suite types. There are few deviations from trends and patterns previously identified and discussed. Landlords who applied for increases above the guideline amount of 3% gained, on average, an additional 2% for a total allowable increase of 5%. This increase approximates the average increase taken in the exempt sector of the rental housing market. Considering the Canada Mortgage & Housing Corporation reported and relatively low vacancy rates of 1.1% in April, 1986 and 1.6% in October, 1986, it would appear that the Rent Regulation Program has also had some moderating effect on rent increases taken in the exempt sector of the market.

TABLE 15
MANITOBA

1986 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE AND YEAR OF CONSTRUCTION

SUITE TYPE	YEAR OF CONSTRUCTION	APPLICATIONS ABOVE GUIDELINE AVERAGE RENTS	APPLICATIONS ABOVE GUIDELINE AVERAGE % INCREASES	INCREASES AT OR BELOW ANNUAL GUIDELINE OF 3% AVERAGE RENTS
Bachelor	0-1945	235	5.7	236
	1946-1959	270	5.7	258
	1960-1977	336	4.0	316
	1978+	317	5.0	295
	TOTAL	**296**	**4.7**	**279**
1 Bedroom	0-1945	292	8.8	289
	1946-1959	331	7.0	307
	1960-1977	402	4.5	375
	1978+	445	1.2	445
	TOTAL	**386**	**4.9**	**363**
2 Bedroom	0-1945	352	8.8	358
	1946-1959	411	8.3	363
	1960-1977	467	4.5	441
	1978+	512	3.9	534
	TOTAL	**460**	**4.8**	**446**
3 Bedroom	0-1945	356	12.9	428
	1946-1959	166	22.2	386
	1960-1977	483	5.0	499
	1978+	536	4.5	568
	TOTAL	**475**	**5.4**	**510**
4 Bedroom	0-1945	263	7.3	411
	1946-1959	155	10.1	-
	1960-1977	419	5.7	559
	1978+	129	11.2	491
	TOTAL	**359**	**6.1**	**475**
Other	0-1945	245	8.8	278
	1946-1959	344	8.5	323
	1960-1977	297	5.7	407
	1978+	466	3.2	465
	TOTAL	**298**	**6.2**	**365**
TOTAL	**ALL YEARS**	**399**	**5.0**	**388**

X - Available statistics are too limited to be included.

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1986 rent increases were taken.

TABLE 16
MANITOBA

1987 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE AND YEAR OF CONSTRUCTION

SUITE TYPE	YEAR OF CONSTRUCTION	APPLICATIONS ABOVE GUIDELINE		INCREASES AT OR BELOW ANNUAL GUIDELINE OF 3%
		AVERAGE RENTS	AVERAGE % INCREASES	AVERAGE RENTS
Bachelor	0-1945	216	7.0	223
	1946-1959	x	x	241
	1960-1977	341	7.8	339
	1978+	-	-	347
	TOTAL	**325**	**7.7**	**297**
1 Bedroom	0-1945	284	6.8	284
	1946-1959	322	6.5	303
	1960-1977	415	6.6	389
	1978+	429	9.2	465
	TOTAL	**393**	**5.2**	**383**
2 Bedroom	0-1945	385	7.0	363
	1946-1959	372	6.9	350
	1960-1977	531	8.3	450
	1978+	533	4.6	554
	TOTAL	**516**	**7.7**	**461**
3 Bedroom	0-1945	-	-	386
	1946-1959	321	3.9	240
	1960-1977	478	6.1	437
	1978+	625	4.8	577
	TOTAL	**490**	**5.9**	**475**
4 Bedroom	0-1945	-	-	307
	1946-1959	-	-	175
	1960-1977	425	3.9	387
	1978+	-	-	348
	TOTAL	**425**	**3.9**	**340**
Other	0-1945	185	5.0	270
	1946-1959	381	6.8	318
	1960-1977	230	6.6	410
	1978+	481	0.6	541
	TOTAL	**265**	**4.5**	**369**
TOTAL	**ALL YEARS**	**384**	**5.9**	**405**

X - Available statistics are too limited to be included.

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1987 rent increases were taken.

RENT APPEALS BRANCH

RENT APPEALS BRANCH

Although the appeal function is an integral part of the Rent Regulation Program and is defined in the Residential Rent Regulation Act, the execution of this function rests within the Rent Appeals Branch and is totally independent of the Landlord and Tenant Affairs Branch.

The primary responsibilities of the Appeals Branch are:

- hearing and adjudicating appeals by landlords or tenants relating to rent increase recommendations issued by the Rent Regulation Bureau;
- considering applications for rent rollback as submitted by the Rent Regulation Bureau; and
- processing applications for the rehabilitation of buildings that may then qualify for temporary exemption from rent increase limitations under the Residential Rent Regulation Act.

All adjudications and orders under the appeal process are made by panels consisting of one or more members. Appeal panelists are private citizens from all walks of life appointed by the provincial government.

ACTIVITY SUMMARY

The appeal function is the last level of activity in the Rent Regulation Program. As a consequence, the peak work load in the Appeals Branch follows about two to three months after the peak work period in the Rent Regulation Bureau. Table 1A reflects this shift by recording the vast majority of appeals for 1986 calendar year rent increases under the 1986/87 fiscal year column. Statistics for the other listed categories in this table follow the same pattern.

Based on decisions issued by the Appeals Branch, about 1 in 3 appealed recommendations, for rent increases effective in the 1986 calendar year, were varied by appeal panels. The majority of appealed recommendations experienced no change - 557 were upheld and 802 were either withdrawn by the appellant or rejected by the Appeals Branch. Most rejections are caused by late appeals.

The rehabilitation provisions provide for a two stage process:

1. Landlord applies and obtains approval to proceed with project.

2. After successful completion of project, landlord then applies for a period of exemption from rent increase limitations.

The process is illustrated in Table 1A where 224 applications for rehabilitation were processed during the 1986/87 fiscal year; 140 received approval to commence rehabilitation work while 84 were rejected. Prior to the end of the 1986/87 fiscal year 90 of the 140 approved units completed the project successfully and upon subsequent application received exemptions for varying periods of time.

Table 2A deals with appeals relating to rent increases that become effective in the 1987 calendar year. As previously outlined, the difference in peak work load periods will cause the majority of 1987 appeals to appear in next year's report under the 1987/88 column.

TABLE 1A

CALENDAR YEAR 1986

STATISTICAL SUMMARY FOR MANITOBA

APPEALS	1985/86 FISCAL YEAR	1986/87 FISCAL YEAR
Landlord Initiated	121	2,248
Tenant Initiated	92	655
Carried Forward	-	82
TOTAL	213	2,985
DECISIONS		
Recommendation Upheld	97	557
Recommendation Varied	34	1,090
Appeals Withdrawn/Rejected	-	802
APPLICATIONS FOR REHABILITATION		
Approved	-	140
Rejected	-	84
TOTAL	-	224
APPLICATIONS FOR EXEMPTION		
Approved	-	90
Rejected	-	-
Pending	-	-

Disposition of 1986 Applications
Fiscal Year Ended March 31/87

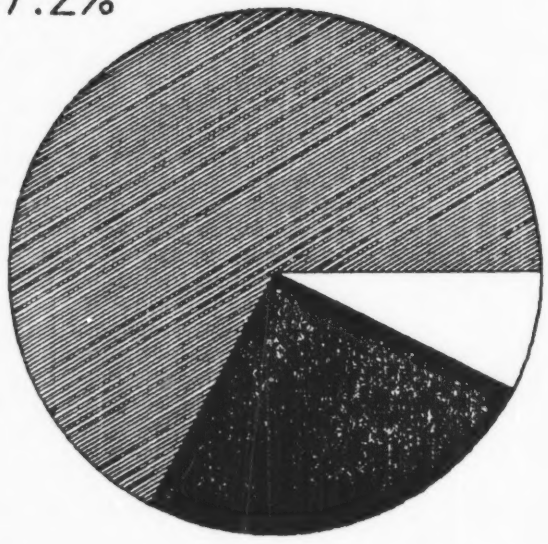


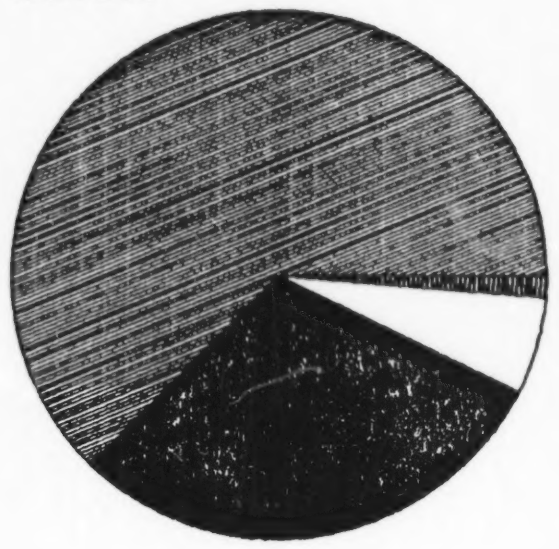
TABLE 2A

CALENDAR YEAR 1987

STATISTICAL SUMMARY FOR MANITOBA

APPEALS	1985/86 FISCAL YEAR	1986/87 FISCAL YEAR
Landlord Initiated	-	726
Tenant Initiated	-	143
Dual Initiated	-	32
Carried Forward	-	-
TOTAL	-	901
DECISIONS		
Recommendation Upheld	-	15
Recommendation Varied	-	44
Appeals Withdrawn/Rejected	-	19
APPLICATIONS FOR REHABILITATION		
Approved	-	-
Rejected	-	34
TOTAL	-	34
APPLICATIONS FOR EXEMPTION		
Approved	-	-
Rejected	-	-
Pending	-	-

Disposition of 1987 Applications
Fiscal Year Ended March 31/87



APPEALS

The Rent Regulation Bureau's recommendations for rent increases may be appealed by landlords or tenants. About 1 in 4 appeals received during the 1986/87 fiscal year and pertaining to 1986 rent increases originated from the tenant. Table 3A shows the average 1986 rent levels and increases by location for all units where the recommendations were subsequently appealed. The appeal may have originated from either the landlord, the tenant, or both. In some instances the same unit is appealed by both parties. As of 1987, dual appeals will be identified in a separate category.

A noteworthy observation can be made by comparing the average rent level of $428 on those recommendations where the landlord had appealed (Table 4A) versus the average rent level of $399 for all units that were granted above guideline rent increases (Table 15 in the Bureau's section of this report). Since all appeals received relate back to above-guideline applications, it might be expected that average rents - prior to the appeal process - for this subgroup are at most at the same level rather than being significantly higher.

As is the case in landlords' applications for rent increases above the guideline, rent levels do not seem to form the sole basis for landlords' appeals either.

A landlord generally applies to the Bureau for an increase above the guideline because he feels that the

rise in operating costs together with, perhaps, some capital expenses are not adequately covered by the guideline amount. If the Bureau's recommended rent increases do not meet the landlord's expectations or calculations, the landlord is apt to appeal.

This is borne out by the comparison shown below which hows that the average percentage increase granted by the Bureau on applications that were subsequently appealed by the landlord was, at 4.3%, some 0.7 percentage points lower than the average 5% landlords could expect.

Tenants appear to consider both aspects; rents at or somewhat above the average along with relatively high increases granted by the Bureau often lead to tenant appeals.

LANDLORD APPEALS

	AVERAGE RENT		AVERAGE % INCREASE	
	1986	1987	1986	1987
All Units That Applied	399	384	5.0	5.9
Appealed Units - Only	428	538	4.3	4.1
Differences	+29	+154	-0.7	-1.8

TENANT APPEALS

	AVERAGE RENT		AVERAGE % INCREASE	
	1986	1987	1986	1987
All Units That Applied	399	384	5.0	5.9
Appealed Units - Only	408	383	7.1	12.8
Differences	+ 9	- 1	+2.1	+6.9

The above data seems to verify the anticipated result that the major reason for appeals are either above or below average rent increases, depending on who appeals, and that the actual rent already paid or received is of only secondary importance to either party.

Although, trends discussed and highlighted throughout this section of the report tend to hold true for the calendar years 1986 as well as 1987, the limited appeal data available and relating to rent increases that take effect in 1987 allow only a preliminary analysis pending more complete data at the end of the 1987/88 fiscal year.

TABLE 3A

1986 AVERAGE RENT LEVELS ON APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	PRIOR TO RENT INCREASE	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	400	435	421	423
Brandon	390	420	411	412
Rural	296	332	307	313
Manitoba	399	433	420	422

TABLE 3B

1986 AVERAGE PERCENTAGE INCREASES ON APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	8.5	5.2	5.6
Brandon	7.8	5.3	5.7
Rural	12.3	3.9	5.9
Manitoba	8.5	5.2	5.6

TABLE 4A

1986 AVERAGE RENT LEVELS ON LANDLORD APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	PRIOR TO RENT INCREASE	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	412	446	430	433
Brandon	347	378	348	353
Rural	296	332	307	313
Manitoba	410	444	428	431

TABLE 4B

1986 AVERAGE RENT LEVELS ON TENANT APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	PRIOR TO RENT INCREASE	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	379	415	406	405
Brandon	403	435	429	428
Rural	-	-	-	-
Manitoba	381	416	408	407

TABLE 5A

1986 AVERAGE PERCENTAGE INCREASES ON LANDLORD APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	8.1	4.4	5.1
Brandon	9.0	0.3	1.8
Rural	12.3	3.9	5.9
Manitoba	8.2	4.3	5.1

TABLE 5B

1986 AVERAGE PERCENTAGE INCREASES ON TENANT APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	9.5	7.2	6.9
Brandon	7.9	6.4	6.4
Rural	-	-	-
Manitoba	9.4	7.1	6.9

TABLE 6A

1987 AVERAGE RENT LEVELS ON APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	PRIOR TO RENT INCREASE	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	478	536	504	501
Brandon	-	-	-	-
Rural	-	-	-	-
Manitoba	478	536	504	501

TABLE 6B

1987 AVERAGE PERCENTAGE INCREASES ON APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	12.2	5.5	4.9
Brandon	-	-	-
Rural	-	-	-
Manitoba	12.2	5.5	4.9

TABLE 7A

1987 AVERAGE RENT LEVELS ON LANDLORD APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	PRIOR TO RENT INCREASE	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	517	575	538	535
Brandon	-	-	-	-
Rural	-	-	-	-
Manitoba	517	575	538	535

TABLE 7B

1987 AVERAGE RENT LEVELS ON TENANT APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	PRIOR TO RENT INCREASE	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	340	400	383	383
Brandon	-	-	-	-
Rural	-	-	-	-
Manitoba	340	400	383	383

TABLE 8A

1987 AVERAGE PERCENTAGE INCREASES ON LANDLORD APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	11.2	4.1	3.4
Brandon	-	-	-
Rural	-	-	-
Manitoba	11.2	4.1	3.4

- -

TABLE 8B

1987 AVERAGE PERCENTAGE INCREASES ON TENANT APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	17.7	12.8	12.8
Brandon	-	-	-
Rural	-	-	-
Manitoba	17.7	12.8	12.8